

***City of Las Vegas City Hall
Project Update
Forest City / LiveWork***

Presentation to City Council

November 19, 2008

Overview

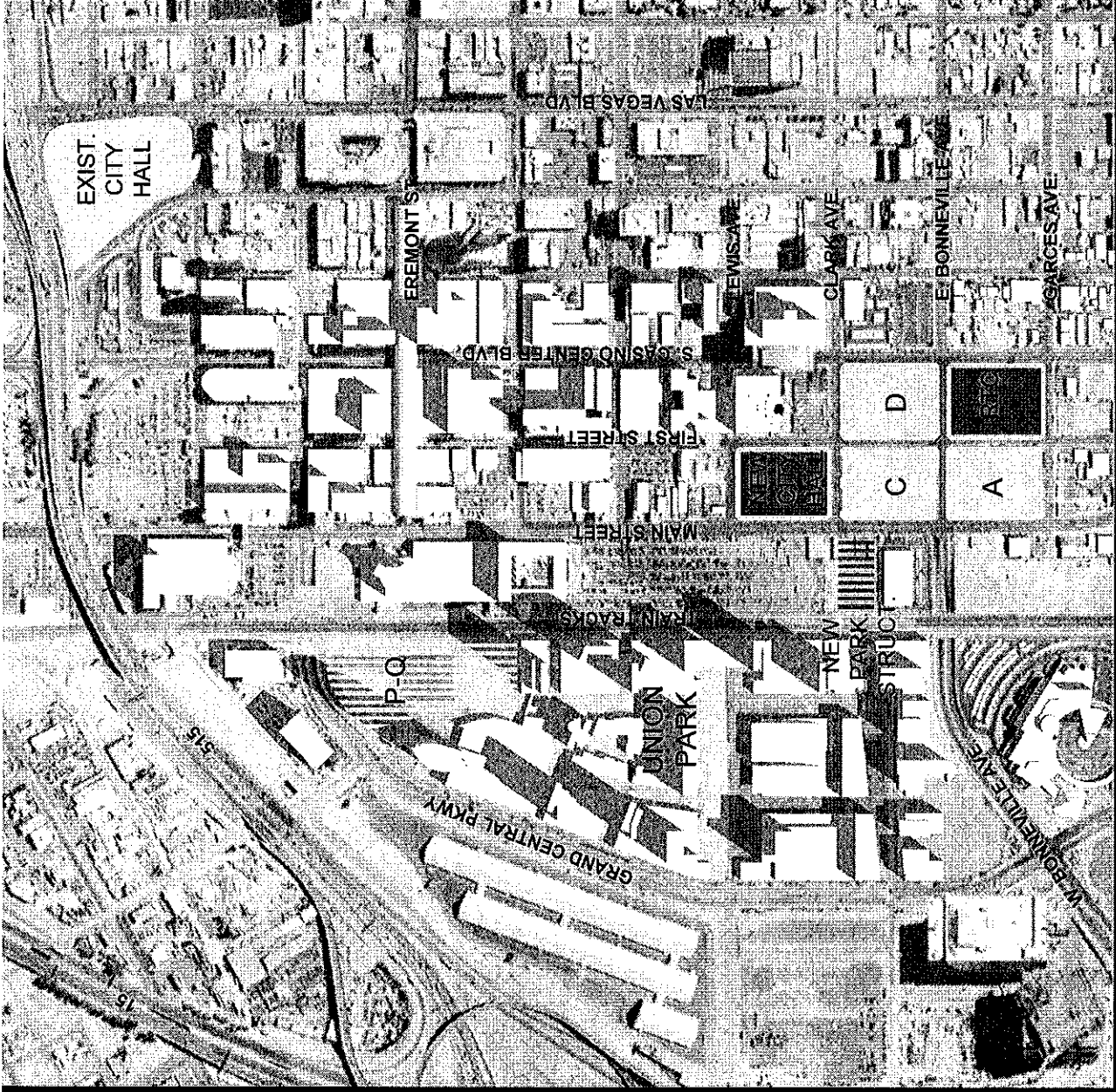
- Development Update
- Actions Requested Today
- Review Public Purpose

City Hall Redevelopment Update

- Feasibility Period tasks identified within the MDA have been largely completed
 - City Hall conceptual and schematic design has been completed
 - Initial estimates show City Hall costs in line with the \$150 M budget
- Design development drawings and updated project estimate is scheduled for completion by early December 2008

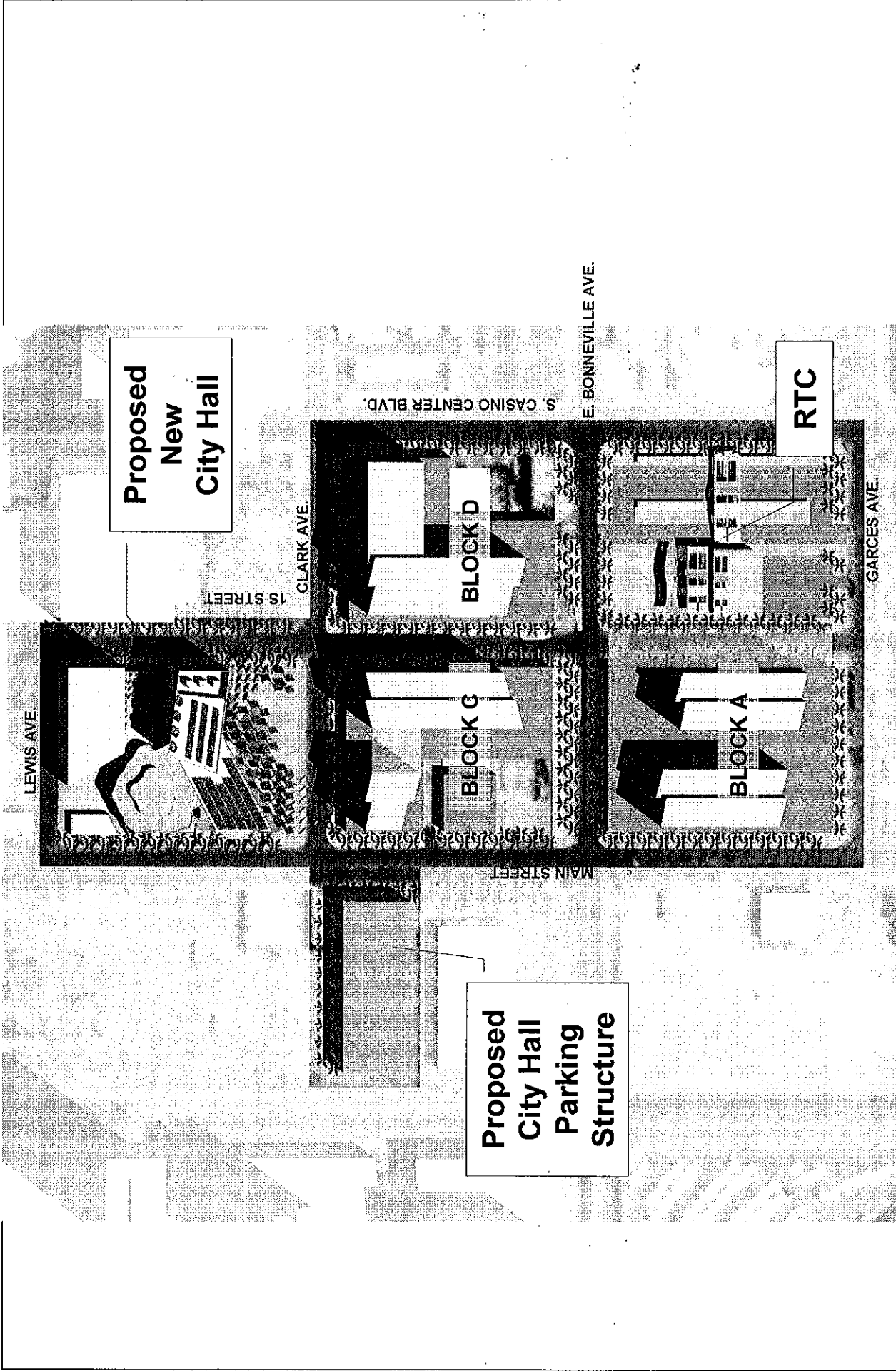
City Hall Predevelopment Update (cont.)

- Invitations for City Hall construction managers have been issued and are under review
- Construction documents scheduled to commence in November, subject to Council approval
- MDA transaction documents have been substantially negotiated
- Site investigation and due diligence is progressing



DOWNTOWN AREA PLAN

LAS VEGAS NEVADA CITY HALL
 FOREST CITY LIVE WORK LLC | JMA ARCHITECTURE STUDIOS | ELKJUS MANFREDI ARCHITECTS

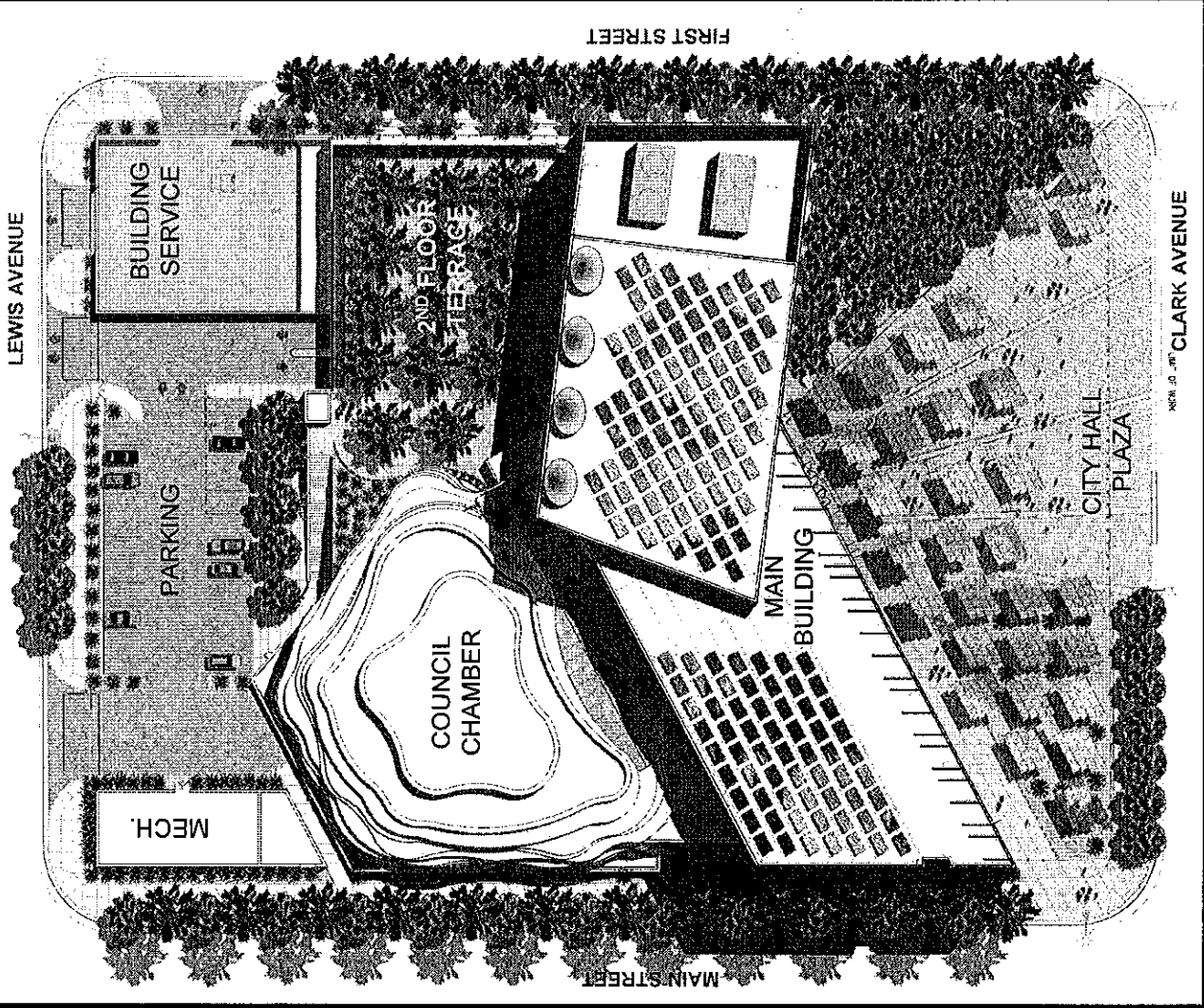


**Proposed
New
City Hall**

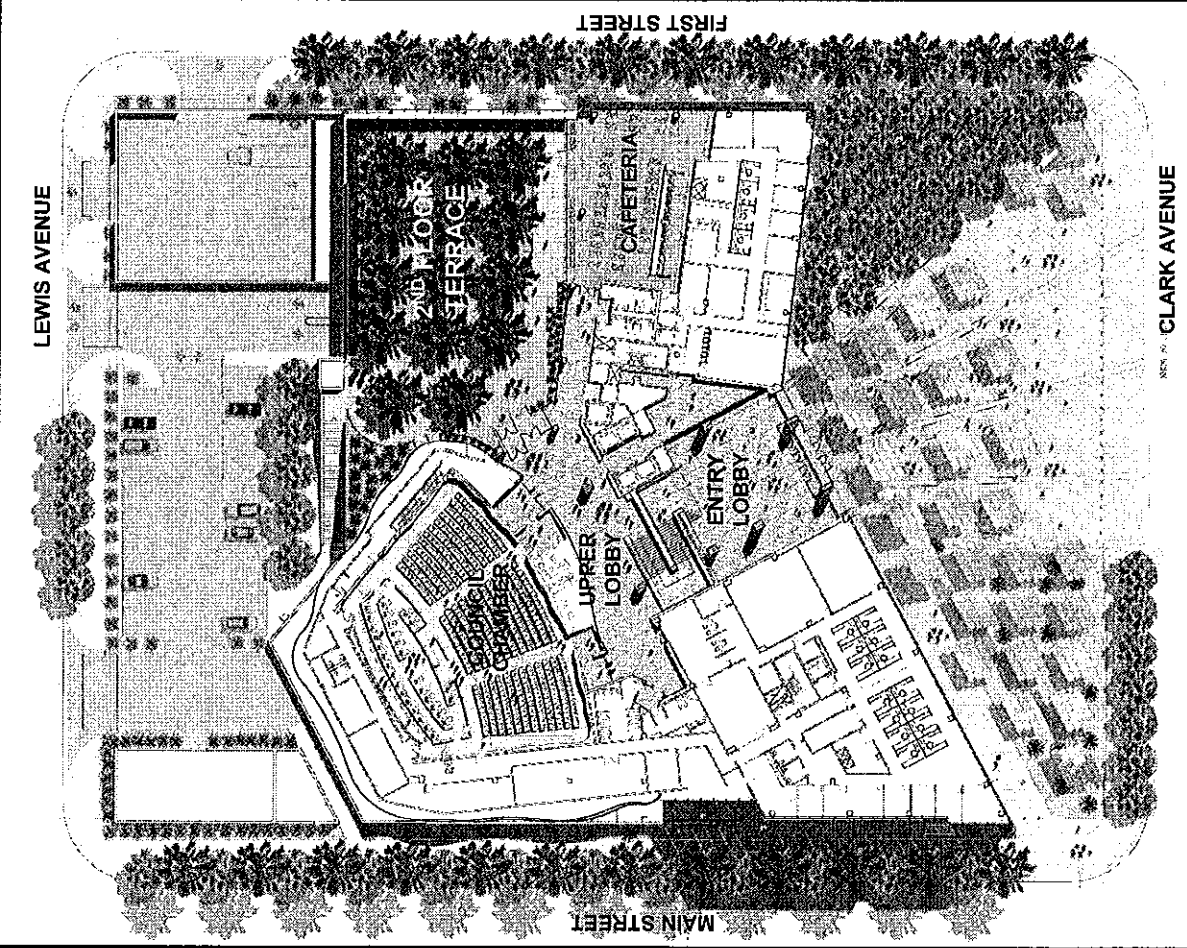
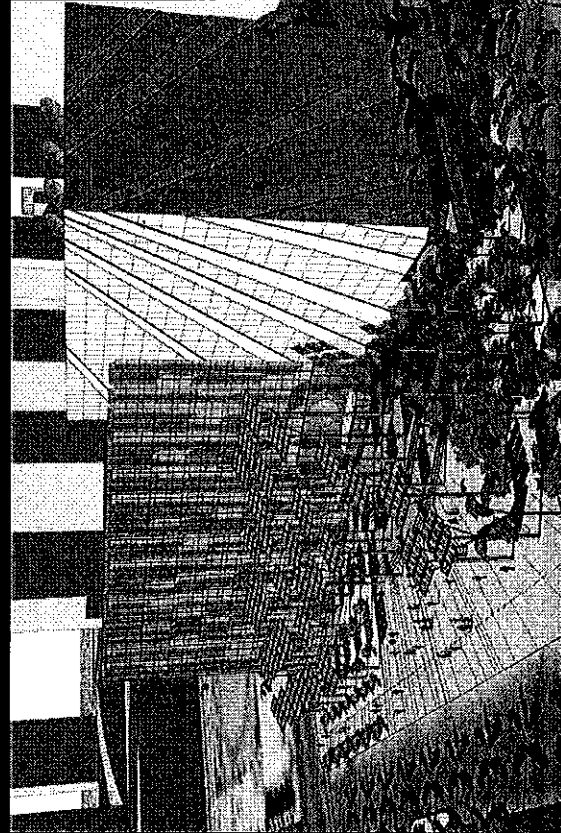
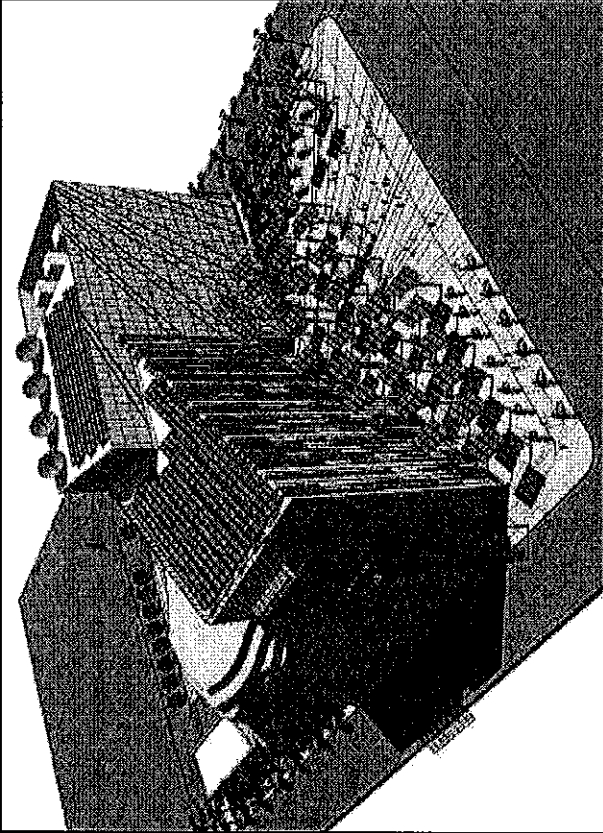
**Proposed
City Hall
Parking
Structure**

RTC

FIVE BLOCK PLAN



CITY HALL SITE PLAN



**PUBLIC SPACE PLAN
1ST & 2ND FLOORS**

LAS VEGAS NEVADA CITY HALL
FOREST CITY LIVE WORK LLC | JMA ARCHITECTURE STUDIOS | ELKUS MANFREDI ARCHITECTS

MAIN
BUILDING

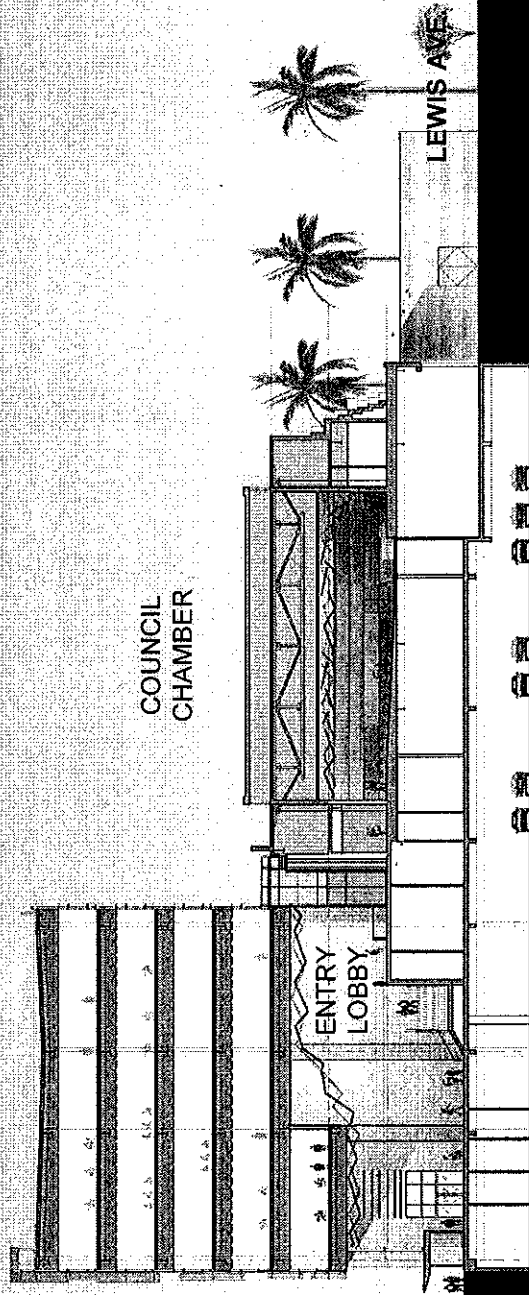
COUNCIL
CHAMBER

ENTRY
LOBBY

CLARK AVE.

LEWIS AVE.

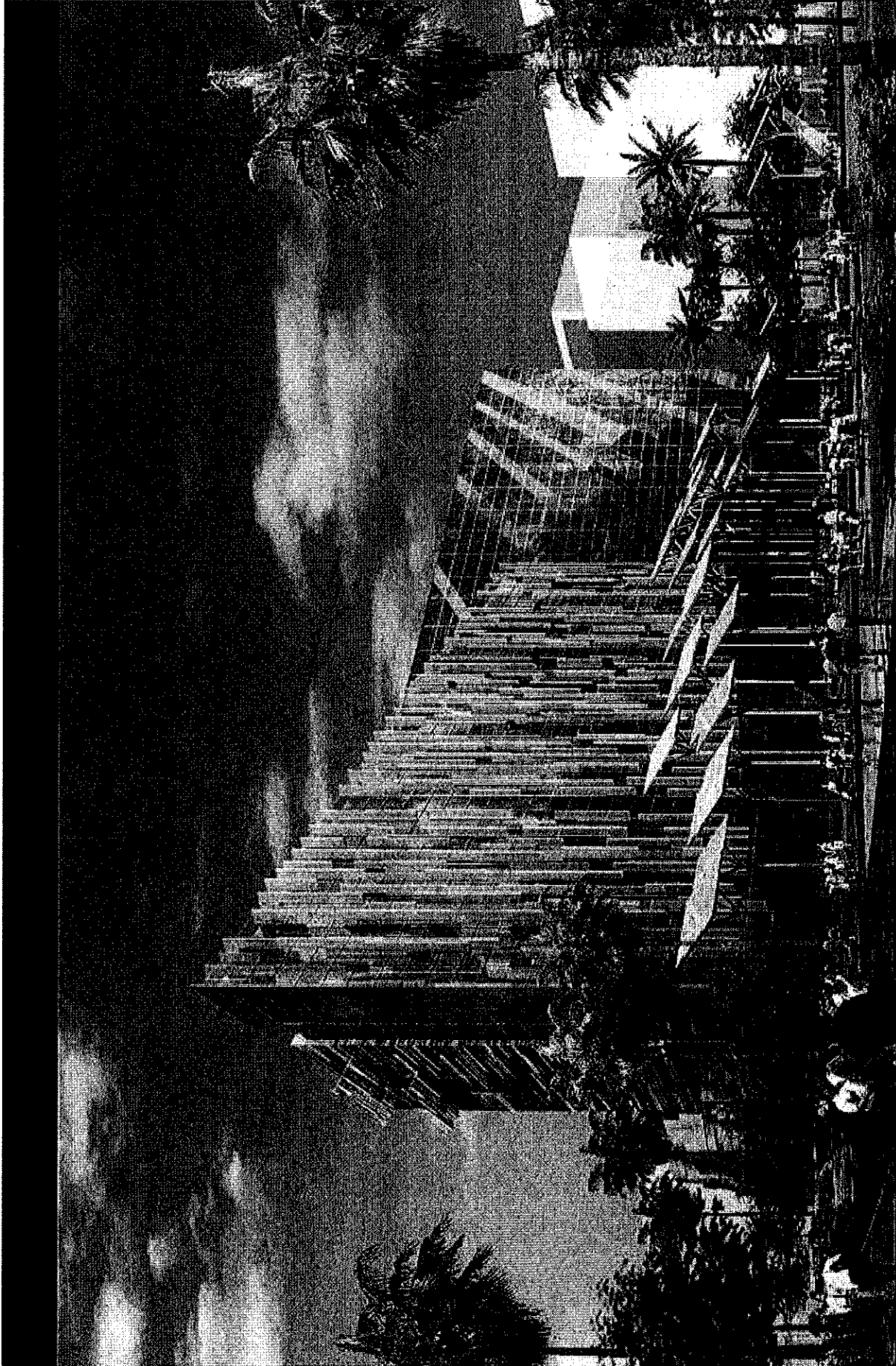
CITY HALL
PLAZA



CITY HALL BUILDING SECTION

LAS VEGAS NEVADA CITY HALL

FOREST CITY LIVE WORK LLC | JMA ARCHITECTURE STUDIOS | ELKUS MANFREDI ARCHITECTS



**VIEW FROM SOUTHWEST:
Main Street & Clark Ave**

LAS VEGAS NEVADA CITY HALL – November 11, 2008

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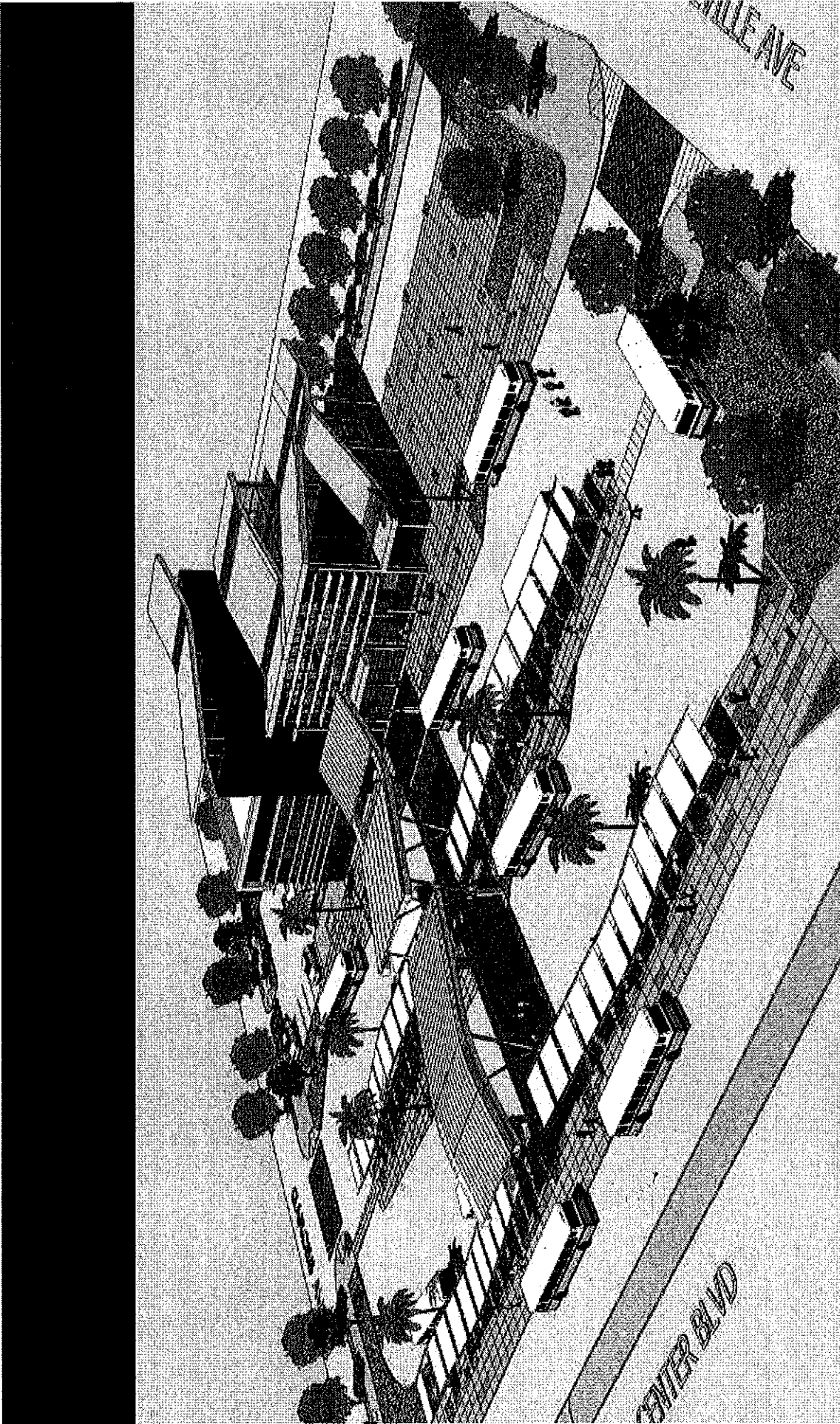
**VIEW FROM NORTHWEST:
Main Street & Lewis Ave.**

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FIVE BLOCK AREA

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NEW REGIONAL TRANSIT CENTER
View From Southwest

LAS VEGAS NEVADA CITY HALL – November 11, 2008

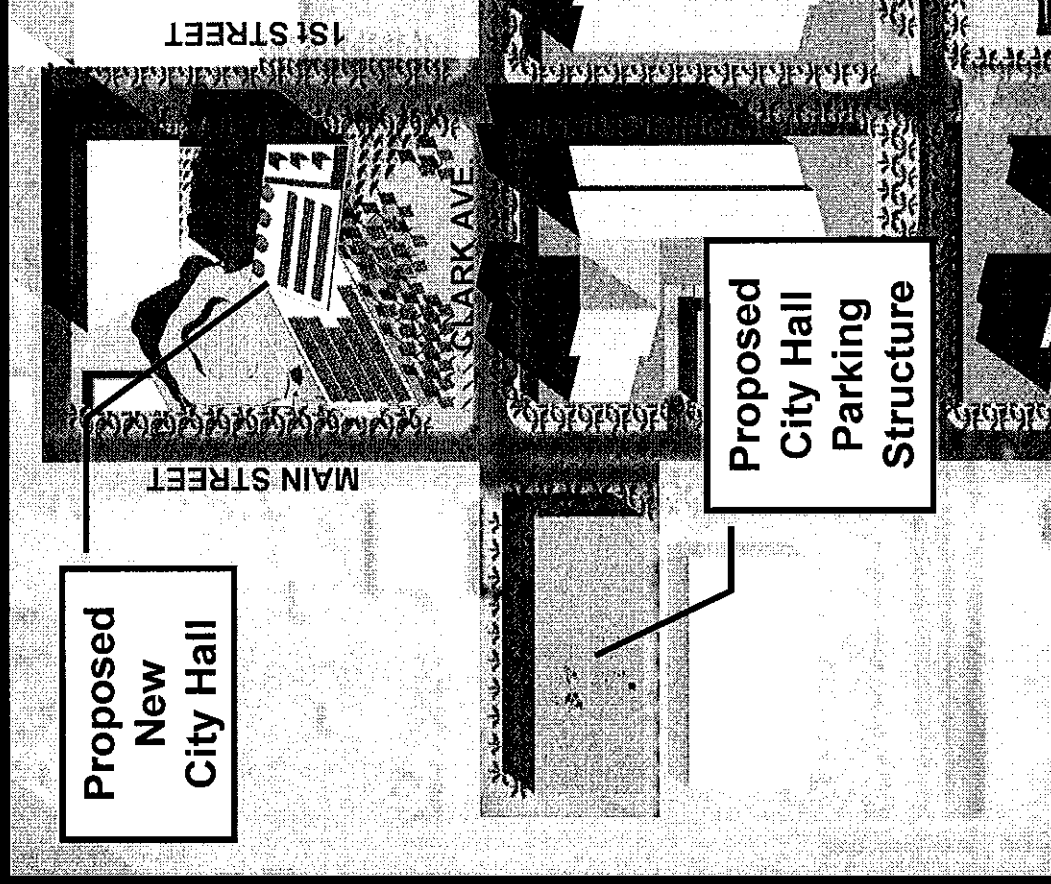
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Building Design

- 250,000 S.F. of office space
- Civic plaza
- 500-seat Council chamber
- 30 on-site parking spaces
- Off-site structure for additional parking (provided under separate arrangements)
- Public exhibition space
- LEED silver rating

City Hall Parking Garage

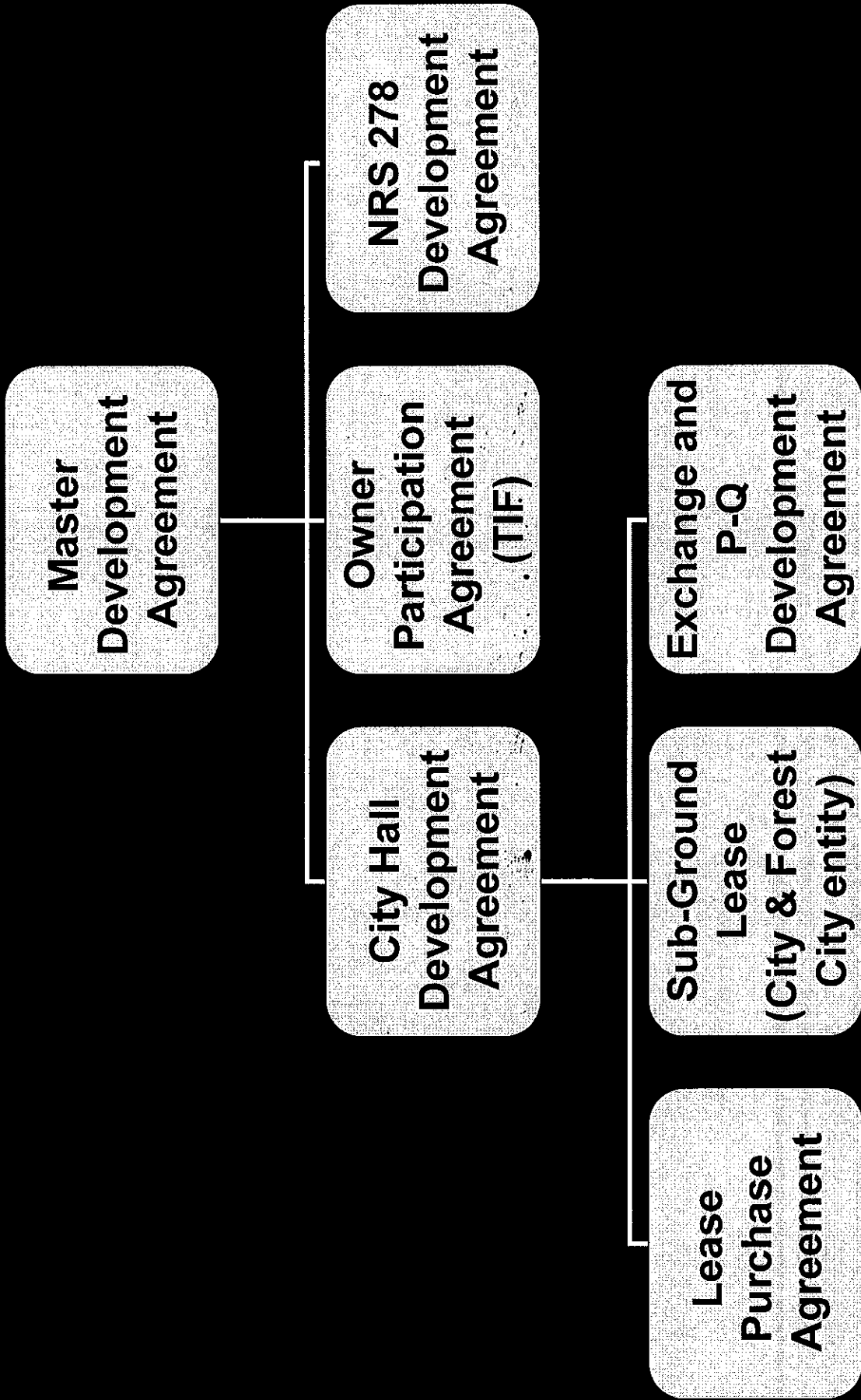
- Approximately 650 spaces
- To be located across Main Street from LWLV
- Approx. \$13 M cost excluding land
- Funded via Parking EF and General Fund
- Will also support the Smith Center



Actions Requested Today

- Amendment to Master Development Agreement (MDA):
 - Extend feasibility period from November 21, 2008 to January 23, 2009
 - Modify timing of exchange of sites
- Appropriate additional \$5.1 M to complete construction documents, commission a CM for pre-development services, and relocate transmission lines
- Initiate Certificates of Participation (COPs) process

Deal Structure



Project Milestones

Entered into MOU

Apr. 2008

Council approved MDA

May 2008

Request to amend MDA

Nov. 2008

Feasibility period extension ends

Jan. 2009

Complete construction docs

Apr. 2009

COPs execution/funding

Apr. 2009

Construction commencement

May 2009

City Hall completion

June 2011

Modify Timing for Site Exchange

- Exchange Queen of Hearts Block for Parcel P-Q immediately at completion of City Hall
- Replaces ground lease/3-year option to buy
- City uses Union Park equity (instead of cash) to acquire Q of H site
- Shifts Q of H land carry costs to P-Q
- Right to recapture P-Q if Forest City / LiveWork doesn't perform on its commitment

Appropriate Additional \$5.1 M

- Predevelopment work to finalize project budget and size of COPs
- For additional costs to be incurred between today and date of COPs funding (Apr. 2009):
 - \$3.1 M: complete construction docs; commission CM at risk; obtain subcontract pricing; finalize project budget
 - \$2 M: relocation of transmission lines
- Funds included in \$150 M City Hall budget and will be reimbursed by COPs

Initiate COPs Financing Process

- Request for approval to initiate financing process for COPs, which entails:
 - Council resolution to allow City to go before Debt Management Commission and State Department of Taxation for approvals
 - Future Council approval will be required prior to sizing and issuance of COPs
 - After Debt Management Commission approval, City has 18 months to issue debt

COPs Financing – Anticipated Terms

	Dollars in \$1,000s	
	<u>Low</u>	<u>High</u>
Estimated Blended Interest Rate	5.80%	6.90%
Par Amount	\$234,460	\$266,030
Less		
Underwriter Discount @ 0.5%	1,172	1,330
Issuance Cost	383	383
Debt Service Reserve Fund	18,064	19,109
Interest - 3-yr capitalized - Exempt	27,203	33,749
Interest - 4-yr buy down – Taxable	<u>50,637</u>	<u>74,459</u>
Net proceeds to Project	\$137,000	\$137,000

Summary - City Hall Economics

- No cash outlay for land—exchange occurs at completion of City Hall
- Lease-purchase structure allows seven years for Union Park to generate TIF to assist payments
- Current environment competitive for contracting
- Takes advantage of current construction costs

Public Purpose:

***Economic Development Potential
and Fiscal Impact***

Public Purpose – Development Impact



Public Purpose: Econ. Development

- **Union Park Parcel P/Q**
 - 1,000-room Hotel Casino
- **LiveWork Las Vegas**
 - Multi-Phase Mixed Use
 - Office, retail, parking
- **CIM/ Lady Luck**
 - Lady Luck Rehab/ Post Office Block
 - Hotels, retail, parking, Mob Museum
- **City Hall/ Former Arena Site**
 - Est. Value of \$72 M
 - High density development potential

Public Purpose: Fiscal/Economic Impact

<u>Project</u>	<u>Private Invest.</u>	<u>Annual TIF</u>	<u>Perm. Jobs</u>
Parcel P-Q	\$1.2 B	\$5 – 6 M	1,000
LiveWork LV	\$0.9 B	\$3 – 4 M	5,068
CIM/Lady Luck	\$1.2 B	\$5 – 6 M	4,013
City Hall/Arena Site	<u>\$0.8 B</u>	<u>\$3 – 4 M</u>	<u>3,360</u>
	\$4.1 B	\$16 – 20 M	13,441

Public Purpose Summary

- AB 312 resolution approved at MDA approval
- Sale meets economic development exemption
- Fiscal and Economic Impact far exceeds contribution from City - 15 year NPV of Tax Increment for a \$1B hotel-casino is \$48M
- Using Property Exchange is a Win-Win: City acquires site without cash outlay & gets Developer commitment for \$1B project

Operations Benefits of a New City Hall

- Reduces energy costs by over \$ 500,000 annually
 - FY08 Power and Gas Cost: \$ 821,698
 - New Building Power and Gas: \$ 284,886
- 2,348 metric ton reduction in CO2
- This utility cost savings, on a PV basis at 5.5% and 30 year term, is \$7.8M
- Avoids new equipment investment at current City Hall of \$ 1.5M

Why Now?

- Capitalize on the private development of 45 acres as a way to finance City Hall
- Projected City Hall opening in 2011, full rent payment deferred until 2016
- The expected economic recovery within 3-5 years will support City Hall payments
- Avoid increases in future construction costs

Summary

- City Hall project maximizes use of City assets, and lowers operating costs with energy efficiency
- Property Exchange is a Win-Win for City and Developer
- P-Q tax increment – projected at \$5M annually – offsets future capital costs of City Hall
- Block Project redefines downtown Office market, at no up-front risk to the City – TIF support comes as a rebate after Developer performs
- Developer's return is based on performance

Questions?

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